

Message Text

UNCLASSIFIED

PAGE 01 LUXEMB 00267 141456Z
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 COME-00 TRSE-00 FRB-01 OMB-01

CIAE-00 INR-07 NSAE-00 /030 W

-----142322Z 071778 /15

R 141305Z APR 77

FM AMEMBASSY LUXEMBOURG

TO SECSTATE WASHDC 5689

INFO AMEMBASSY BRUSSELS

AMEMBASSY LONDON

UNCLAS LUXEMBOURG 0267

E. O. 11652: N/A

TAGS: EFIN, LU

SUBJECT: TWO US BANKS TO MERGE OPERATIONS

1. SUMMARY: NORTHWESTERN NATIONAL BANK OF MINNEAPOLIS HAS ANNOUNCED ITS INTENTION TO TAKE OVER THE CANADIAN AMERICAN BANK AND FORM A JOINT OPERATION IN LUXEMBOURG. THE COMBINED BANK WILL USE THE CANADIAN AMERICAN NAME AND WILL BE A WHOLLY-OWNED SUBSIDIARY OF NORTHWEST BANCORPORATION OF MINNEAPOLIS WHICH IS THE PARENT FIRM OF NORTHWESTERN AND CURRENTLY PART-OWNER OF CANADIAN-AMERICAN. APPROVALS BY THE FEDERAL RESERVE BOARD AND THE LUXEMBOURG BANKING COMMISSION AS WELL AS BY SHAREHOLDERS ARE PENDING BUT NO DIFFICULTIES ARE ANTICIPATED. THE MERGER IS EXPECTED TO TAKE EFFECT WITHIN THREE MONTHS AND WILL REDUCE THE NUMBER OF AMERICAN BANKS IN LUXEMBOURG TO ELEVEN. END SUMMARY.

2. NORTHWESTERN NATIONAL IS AN AFFILIATE OF NORTHWEST BANCORPORATION OF MINNEAPOLIS AND OPENED A BRANCH IN LUXEMBOURG IN 1973, HAVING OPENED A LONDON REPRESENTATIVE OFFICE IN 1972. CANADIAN AMERICAN IS A CONSORTIUM OF THREE OWNERS, NAMELY, CANADA TRUSTCO MORTGAGE CO., LONDON, ONTARIO (30 PERCENT), SOUTHEAST BANKING CORP., MIAMI, FLA. (35 PERCENT), AND NORTHWEST BANCORPORATION (35 PERCENT), UNCLASSIFIED

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WHICH BEGAN OPERATIONS HERE IN 1974 AND ALSO HAS A LONDON OFFICE.

3. BY THE CLOSE OF 1976, CANADIAN AMERICAN'S ASSETS HERE HAD RISEN TO US\$118 MILLION. IN RESPONSE TO ITS ENLARGED BALANCE SHEET, THE BANK MORE THAN DOUBLED ITS CAPITAL IN 1976 TO \$10 MILLION. CANADIAN AMERICAN PARTICIPATES

IN SYNDICATIONS AND IN EUR-CURRENCY OPERATIONS, WITH ACTIVITIES CONCENTRATED IN AGRICULTURE, ENERGY AND NATURAL RESOURCES INDUSTRIES. IN CONTRAST, NORTHWESTER NATIONAL'S ASSETS ARE US\$25 MILLION (APPROX.) WITH A CAPITAL OF \$2.5 MILLION. ITS ACTIVITIES HAVE BEEN SMALL LOANS FOR US CORPORATE CLIENTS, ALTHOUGH NOT FOR THEIR OVERSEAS SUBSIDIARIES. THE MERGER IS DESIGNED TO STRENGTHEN THE BANK'S COMMERCIAL SIDE AND ITS PROJECT FINANCING CAPABILITY. PHILLIPS

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Message Attributes

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Sent Date: 14-Apr-1977 12:00:00 am
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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